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648 theme of their spokesmen in the economic and social organs
185 of the United Nations. It is probably too early at this moment to speculate on the outcome of Southeast Asia's
000 determination to industrialize. Much can be said, however, about the element of urgency and speediness commonly attached to each project of industrial development envisaged by each of these countries. "For successful development," cautions Staley, "two things are necessary: a substantial and continued economic advance -- and a social and political outcome which produces self-reliant citizenship in a free society, stable and responsive democratic government, and cooperation with other free societies."[25] The same writer warns that if capital investment and material technology are puched energetically in an underdeveloped country while little or no attention is given to deliberate promotion of appropriate social and psychological change, the result is likely to be either a failure of the development process to "take" and become "self-generating" or creation of a menace to the free world.[26] Garner also gives similar warning, "People have to develop themselves before they can change their physical environment, and this is a slow process."[27]

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44 A most important factor that has kept Southeast Asia economically underdeveloped is the small size of market in

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25. Staley, op. cit., p. 202.

26. Ibid., p. 203.

27. Ibid., p. 203.

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43 44 each of the countries in the area, which is due to the low level of their real income. This small size of market has important effects on the volume of international trade, on the pattern of foreign investment, and on the use of domestic savings.

648 43 44 47 Because of their low level of productivity and hence of low real purchasing power, the underdeveloped agricultural countries play a minor part in world trade. Business investment abroad has tended in the past to shy away from industries working for the domestic market in the underdeveloped areas and to concentrate instead on primary production for export to the advanced industrial centers. With special reference to Southeast Asia, most writers assign the pattern to the commercial design of the colonial powers. Nurkse, however, maintains that it does not reflect any sinister conspiracy or deliberate policy, still less any concerted attempt of the rich countries to exploit the poor. "Exploitation there may have been," he said, "but this pattern of foreign investment by itself does not constitute any proof of it. This pattern can be readily accounted for on obvious economic grounds. The explanation lies, on the one hand, in the poverty of the local consumers in the underdeveloped countries, and on the other, in the large and, in the nineteenth century, vigorously expanding markets for primary products in the world's industrial centers."[28]

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28. Ragner Nurkse, Problems of Capital Formation in Underdeveloped Countries (Oxford: A. T. Broome and Son, 1953), p. 25.

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Finally, the weakness of the market incentive for private investment in the domestic economy of the low-income countries can affect domestic as well as foreign capital. The first difficulty is that the volume of domestic saving is small, because of the low level of income. But then there is the further trouble that such saving as does take place tends to be used unproductively: it tends to be put into real estate, gold, jewelry, commodity hoards and hoards of foreign or domestic currency. While this unfortunate tendency is usually explained by reference to inadequate financial organization or lack of education, Nurkse suspects that the tendency may also reflect a more deep-seated economic condition -- the deficient inducement to invest due to the poverty of the domestic market.[29]

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Cultural Background of Thai Peasants

Benedict describes Thai characteristics as indolent, unwilling to labor for more than immediate needs, content with their lot, uninterested in money or economic advancement, conservative, and satisfied with a dependent status.[30] These characteristics have led to preference for agriculture, government service, and self-employment in general to other occupations.

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29. Ibid., p. 26.

30. Ruth Benedict, "Thai Culture and Behavior" (an unpublished war-time study dated September 1943, Data Paper number 4, Southeast Asia Program, Cornell University. Ithaca: Department of Far Eastern Studies, 1952), pp. 34-45.